

BLISSFIELD TOWNSHIP

LENAWEE COUNTY

STATE OF MICHIGAN

FINANCIAL STATEMENTS AND AUDITORS' REPORT

Fiscal Year Ended March 31, 2004

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name BLISSFIELD TOWNSHIP	County LENAWEE
Audit Date 3-31-04	Opinion Date 6-11-03	Date Accountant Report Submitted to State: 8-17-04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan, as required by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) YEUTTER & ASSOCIATES, P.C.			
Street Address 225 W. ADRIAN ST	City BLISSFIELD	State MI	ZIP 49223
Accountant Signature Jeffrey A. Yeutter			

TABLE OF CONTENTS

	Page
Auditors Report	1
Combined Balance Sheet - All Fund Types and Account Groups	2-3
Combined Statement of Revenues Received, Expenditures Paid and Changes in Fund Balances - All Governmental Fund Types	4
Combined Statement of Revenues Received, Expenditures Paid and Changes in Fund Balances - Budget and Actual - General and Special Revenue Funds	5-6
Combining Balance Sheet - All Special Revenue Funds	7
Combined Statement of Revenues Received, Expenditures Paid and Changes in Fund Balances - All Special Revenue Funds	8
Statement of Changes in Assets and Liabilities - Tax Collection Fund	9
Notes to Financial Statements	10-12



Board of Trustees
Blissfield Township
Lenawee County, Michigan

We have audited the financial statements of Blissfield Township, as of and for the year ended March 31, 2004, as listed in the table of contents. These financial statements are the responsibility of the Township's managements. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the Township prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Michigan, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and unencumbered cash balances of Blissfield Township, as of March 31, 2004, and the revenues received and expenditures paid for the year then ended on the basis of accounting described in Note 1.

This report is intended solely for the information and use of the governing body and management of Blissfield Township and for filing with the State of Michigan. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Yeutter & Associates, P.C.

Yeutter & Associates, P.C.

June 11, 2004

Jeffrey A. Yeutter, C.P.A.

Blissfield Township
Combined Balance Sheet - All Fund Types and Account Groups
March 31, 2004

	Governmental Fund Types	
	<u>General</u>	<u>Special Revenue</u>
Assets		
Cash in bank	\$ 284,869	\$ 463,770
Due from other funds	1,728	6
Inventory		
Real Estate		
Equipment		
Vehicles		
	<u> </u>	<u> </u>
Total Assets	\$ <u>286,597</u>	\$ <u>463,776</u>
Liabilities and Fund Balance		
Liabilities-		
Due other funds	\$	\$
Due to other governmental units		
Investment in General Fixed Assets		
Fund Balance - Unreserved		
Undesignated	<u>286,597</u>	<u>463,776</u>
	<u> </u>	<u> </u>
Total Liabilities and Fund Balance	\$ <u>286,597</u>	\$ <u>463,776</u>

The notes to the financial statements are an integral part of this statement.

<u>Fiduciary Fund Type</u>	<u>Account Group</u>	<u>Total</u>
<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>(Memorandum Only)</u>
\$ 146,778	\$	\$ 895,417
		1,734
	3,500	3,500
	1,062,515	1,062,515
	331,019	331,019
	<u>599,662</u>	<u>599,662</u>
\$ <u>146,778</u>	\$ <u>1,996,696</u>	\$ <u>2,893,847</u>
\$ 1,734	\$	\$ 1,734
145,044		145,044
	1,996,696	1,996,696
		<u>750,373</u>
\$ <u>146,778</u>	\$ <u>1,996,696</u>	\$ <u>2,893,847</u>

Blissfield Township
Combined Statements of Revenues Received, Expenditures Paid
and Changes in Fund Balances
All Governmental Fund Types
Year Ended March 31, 2004

	<u>Governmental Fund Types</u>		<u>Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Memorandum Only</u>
Revenues Received -			
Taxes	\$ 82,291	\$ 247,774	\$ 330,065
Services		22,747	22,747
State revenue sharing	51,740		51,740
Interest and penalties	3,766	3,051	6,817
Cemetery fees	18,950		18,950
Reimbursements & other	14,539	1,299	15,838
Grants/Contributions		22,728	22,728
Total revenues received	171,286	297,599	468,885
Expenditures Paid -			
General government	117,699		117,699
Zoning and planning	160		160
Cemetery	37,954		37,954
Drains at large	4,137		4,137
Road maintenance		268,657	268,657
Public safety - fire		139,996	139,996
Capital outlay	23,521	20,247	43,768
Total expenditures paid	183,471	428,900	612,371
Excess Revenues-(Expenditures)	(12,185)	(131,301)	(143,486)
Fund Balance - April 1, 2003	298,782	595,077	893,859
Fund Balance - March 31, 2004	\$ 286,597	\$ 463,776	\$ 750,373

The notes to the financial statements are an integral part of this statement.

Blissfield Township
Combined Statement of Revenues Received, Expenditures Paid
and Changes in Fund Balances
Budget and Actual - General and Special Revenue Funds
Year Ended March 31, 2004

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Total Revenue Received	175,000	\$ 171,286	\$ (3,714)
Transfer from other Funds			
Total revenue received and transfers	<u>175,000</u>	<u>171,286</u>	<u>(3,714)</u>
Expenditures Paid:			
Operating	29,975	\$ 25,633	\$ 4,342
Supervisor	7,000	7,000	
Clerk	20,000	20,000	
Treasurer	15,000	15,000	
Salaries - other	4,000	3,150	850
Board of Review	18,000	2,025	15,975
Zoning and planning	800	160	640
Appraisal	17,500	17,447	53
Professional	5,200	5,011	189
Cemetery	61,200	37,954	23,246
Building inspection	6,500	6,446	54
Senior Citizens Program			
Drains at large	4,200	4,137	63
Tax roll preparation	5,500	4,075	1,425
Road maintenance			
Fire			
Election expenses	1,000	841	159
Capital outlay	23,500	23,521	(21)
Blissfield Downtown Authority	<u>11,000</u>	<u>11,071</u>	<u>(71)</u>
Total expenditures paid	<u>230,375</u>	<u>183,471</u>	<u>46,904</u>
Excess Revenues - (Expenditures)	(55,375)	(12,185)	43,190
Transfers to other funds			
Excess Revenues - (Expenditures) over Other Financing	(55,375)	(12,185)	43,190
Fund Balance - April 1, 2003	<u>224,404</u>	<u>298,782</u>	<u>74,378</u>
Fund Balance - March 31, 2004	<u>169,029</u>	<u>\$ 286,597</u>	<u>\$ 117,568</u>

The notes to the financial statements are an integral part of this statement.

Special Revenue Funds			Total (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 265,500	\$ 297,593	\$ 32,093	\$ 440,500	\$ 468,879	\$ 28,379
<u>265,500</u>	<u>297,593</u>	<u>32,093</u>	<u>440,500</u>	<u>468,879</u>	<u>28,379</u>
			29,975	25,633	4,342
			7,000	7,000	
			20,000	20,000	
			15,000	15,000	
			4,000	3,150	850
			18,000	2,025	15,975
			800	160	640
			17,500	17,447	53
			5,200	5,011	189
			61,200	37,954	23,246
			6,500	6,446	54
			4,200	4,137	63
			5,500	4,075	1,425
200,000	268,657	(68,657)	200,000	268,657	(68,657)
309,500	139,995	169,505	309,500	139,995	169,505
			1,000	841	159
3,500	20,247	(16,747)	27,000	43,768	(16,768)
			11,000	11,071	(71)
<u>513,000</u>	<u>428,899</u>	<u>84,101</u>	<u>743,375</u>	<u>612,370</u>	<u>131,005</u>
(247,500)	(131,306)	116,194	(302,875)	(143,491)	159,384
(247,500)	(131,306)	116,194	(302,875)	(143,491)	159,384
<u>264,751</u>	<u>595,077</u>		<u>489,155</u>	<u>893,859</u>	<u>74,378</u>
\$ <u>17,251</u>	\$ <u>463,771</u>	\$ <u>116,194</u>	\$ <u>186,280</u>	\$ <u>750,368</u>	\$ <u>233,762</u>

Blissfield Township
Combining Balance Sheet
All Special Revenue Funds
March 31, 2004

	<u>Road</u>	<u>Fire</u>	<u>Special Fire</u>	<u>Fire Dept</u>	<u>Total</u>
Assets					
Cash in bank	\$ 134,084	\$ 149,309	\$ 173,717	\$ 6,660	\$ 463,770
Due from other funds	<u>5</u>	<u>1</u>			<u>6</u>
	\$ <u>134,089</u>	\$ <u>149,310</u>	\$ <u>173,717</u>	\$ <u>6,660</u>	\$ <u>463,776</u>
Fund Balance					
Undesignated	\$ <u>134,089</u>	\$ <u>149,310</u>	\$ <u>173,717</u>	\$ <u>6,660</u>	\$ <u>463,776</u>

The notes to the financial statements are an integral part of this statement.

Blissfield Township
Combined Statement of Revenues Received, Expenditures Paid
and Changes in Fund Balances
All Special Revenue Funds
Year Ended March 31, 2004

	<u>Roads</u>	<u>Fire</u>	<u>Special Fire</u>	<u>Fire Dept</u>	<u>Total</u>
Revenues Received -					
Property taxes	\$ 147,462	\$ 98,307	\$ 2,005	\$	\$ 247,774
Interest earned	848	1,219	944	40	3,051
Services		22,747			22,747
Reimbursements	580	119			699
Grants/Contributions			1,653	21,075	22,728
Sale of Equipment		600			600
Total revenues received	148,890	122,992	4,602	21,115	297,599
Transfer from other fund					
Total revenues received and transfers	148,890	122,992	4,602	21,115	297,599
Expenditures Paid -					
Wages		42,922			42,922
Supplies		3,297	194	8,270	11,761
Training		525			525
Utilities		12,565			12,565
Insurance		23,993			23,993
Maintenance		29,248		774	30,022
Other		7,700		10,508	18,208
Road improvements	268,657				268,657
Capital outlay		1,896	17,024	1,327	20,247
Total expenditures paid	268,657	122,146	17,218	20,879	428,900
Excess Revenues - (Expenditures)	(119,767)	846	(12,616)	236	(131,301)
Fund Balance -					
April 1, 2003	253,856	148,464	186,333	6,424	595,077
Fund Balance -					
March 31, 2004	\$ <u>134,089</u>	\$ <u>149,310</u>	\$ <u>173,717</u>	\$ <u>6,660</u>	\$ <u>463,776</u>

The notes to the financial statements are an integral part of this statement.

Blissfield Township
Statement of Changes in Assets and Liabilities
Tax Collection Fund
Year Ended March 31, 2004

	Balance				Balance
	<u>April 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>		<u>March 31, 2004</u>
Assets					
Cash in bank	\$ <u>190,794</u>	\$ <u>2,478,086</u>	\$ <u>2,522,102</u>	\$	<u>146,778</u>
Liabilities					
Due - Other funds	\$ 159	\$ 331,394	\$ 329,819	\$	1,734
Due - County & State	190,635	780,385	825,976		145,044
Due - Schools	<u>0</u>	<u>1,366,307</u>	<u>1,366,307</u>		<u>0</u>
	\$ <u>190,794</u>	\$ <u>2,478,086</u>	\$ <u>2,522,102</u>	\$	<u>146,778</u>

The notes to the financial statements are an integral part of this statement.

Blissfield Township
Notes to Financial Statements
March 31, 2004

1) Summary of Significant Accounting Policies

a. Basis of Accounting

The cash basis of accounting is followed by all funds.

b. Fund Accounting

The accounts of the Township are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund or account group are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities, fund equity, revenues and expenses or expenditures. The following funds and groups of accounts are used by the Township:

Governmental Fund Types:

General Fund -

The General Fund is the general operating fund of the Township. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

Special Revenue Funds -

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Fiduciary Fund Types:

Trust and Agency Funds -

Trust and Agency Funds are used to account for assets held by the Township in a trustee capacity or as an agent for other funds and/or other governments. These include Expendable Trust and Agency Funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

General Fixed Assets and General
Long-Term Debt Account Groups:

General Fixed Assets-

The General Fixed Assets Account Group is used to account for fixed assets for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on general fixed assets. General fixed assets purchased are recorded as expenditures to the applicable fund at time of purchase.

c. Cash Deposits

At March 31, 2004 the carrying amount of the Township's cash deposits was \$895,417. Of the bank balance, \$288,490 was covered by federal deposit insurance with the remaining \$606,927 being uninsured.

d. Total Columns on Combined Statements - Overview

Total columns on the combined statements are captioned "memorandum only" to indicate that they are presented only to facilitate analysis. Data in these columns do not present financial position, results of operations, or changes in cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregate of this data.

2) Changes in Fixed Assets

The following is a summary of changes in the general fixed assets account group for the fiscal year:

	Balance March 31, 2003	Additions	Deletions/ Retirements	Balance March 31, 2003
Real estate	\$ 1,040,275	\$ 22,240	\$	\$ 1,062,515
Equipment	326,967	21,531	(17,479)	331,019
Vehicles	599,662			599,662
Total General Fixed Assets	\$ <u>1,966,904</u>	\$ <u>43,771</u>	\$ <u>(17,479)</u>	\$ <u>1,993,196</u>

Additions to General Fixed Assets:

From General Fund	\$ 23,521
From Special Revenues	20,247

3) Pension Plan

The Township provides a voluntary, joint contributory, defined contribution plan to all township employees. Contributions are made to the Manufacturers Life Insurance Company. Annual contributions (including the 25% employee share) range from \$100 for employees earning less than \$1,000 per year to \$700 for those earning \$3,000 or more per year. The total township contribution to the plan for the year ended March 31, 2004 was \$1,275.

4) Interfund Operating Transfers

There were no interfund operating transfers for the fiscal year ended March 31, 2004.



Board of Trustees
Blissfield Township
Blissfield, MI 49228

In planning and performing our audit of the general purpose financial statements of Blissfield Township for the year ended March 31, 2004, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure. However, we noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Township's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted the following reportable condition that we believe to be material weaknesses:

There is an inherent lack of segregation of duties due to the size of the administrative staff.

Jeffrey A. Yeutter, C.P.A.

Page 2.

In addition the following matters came to our attention which are not considered reportable conditions.

Michigan Compiled Laws 41.69 and 41.77 require the appointment of a deputy clerk and deputy treasurer. This serves as protection to the township in case of the absence, sickness, death, or other disability. You should consult your M.T.A. handbook for more information on this matter.

This report is intended solely for the information and use of the Blissfield Township Board, management, and others within the administration. If any questions arise concerning our recommendations or the implementation thereof, we would be pleased to assist in whatever capacity you may require.

We would like to take this opportunity to thank your staff for their excellent cooperation during our engagement. Thank you for the opportunity to provide these services to Blissfield Township.

Yeutter & Associates, P.C.

June 11, 2004